

**MULTIMEDIA**



**UNIVERSITY**

**STUDENT IDENTIFICATION NO**

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# **MULTIMEDIA UNIVERSITY**

## **FINAL EXAMINATION**

**TRIMESTER 1, 2015/2016**

**BMR3074 – INTERNATIONAL MARKETING**

**(All sections / Groups)**

**5<sup>th</sup> OCTOBER 2015**

**2.30 p.m. – 4.30 p.m.**

**(2 Hours)**

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### **INSTRUCTIONS TO STUDENT**

1. This Question paper consists of 4 pages with 5 Questions only.
2. Attempt **ALL** questions in Section A. Attempt **THREE** out of **FOUR** questions in Section B. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

**Section A-Answer ALL questions (25 marks)**

It's a safe bet that most people reading this textbook are familiar with Red Bull. The \$6.4 billion company that virtually created the market for energy drinks revels in its association with cultural events such as concerts and extreme sports including snowboarding and surfing. The company uses a variety of communication channels in addition to advertising and public relations to promote the brand. Red Bull's Facebook page has 38 million "likes", and 1 million people follow its Twitter feed.

The brand's slogan, "Red Bull Gives You Wings," made Red Bull the perfect corporate partner for one of the biggest public relations coups in recent years. In fall 2012, Red Bull sponsored Felix Baumgartner's death-defying skydive from the edge of space.

Red Bull utilizes a communication tool known as marketer-produced media. The Red Bulletin is a monthly magazine produced by Red Bull Media House. Red Bull distributes more than 3 million copies of each issue through newsstand sales, subscriptions, and as a free iPad app.

The magazine is available in Austria, Germany, Great Britain, Kuwait, New Zealand, Poland, and South Africa. In 2011, The Red Bulletin was launched in the United States; 1.2 million free copies were distributed in major newspapers. The first U.S. issue featured San Francisco Giants pitcher Tim Lincecum, one of hundreds of athletes who are sponsored by Red Bull. As publisher Raymond Roker put it, "We are entering a new age of media in terms of what consumers of content want and expect."

Since 1998, Red Bull has been involved in another high-profile initiative. The Red Bull Music Academy is a series of concerts, workshops, art installations, and other cultural events that rotate from year to year among different international cities. Red Bull Music Academy also sponsors stages at international music festivals such as Montreaux Jazz; RBMA Radio is a Web resource where listeners can access new music, live concerts, interviews, and other content. Despite the name, Red Bull plays down its participation in the Academy; according to the Web site, "The Red Bull Music Academy is not a sponsored event, but a long-term music initiative, committed to fostering creative exchange amongst those who have made and continue to make a difference in the world of sound." Needless to say, the Red Bull logo is visible everywhere, and coolers filled with the drink are placed in strategic locations.

Nirmalya Kumar, a marketing professor at the London Business School, has written a case study on Red Bull titled "The Anti-Brand Brand." Kumar gives Red Bull high marks for its nontraditional marketing communication strategy. As Kumar explains, "Part of being a great brand is conveying what you stand for in an authentic manner so consumers find it believable. The music academy and the [Baumgartner] air show have given Red Bull a lot of that."

Source: Keegan W.J, Green M.C., *Global Marketing*, Global Edition, 8<sup>th</sup> edition, 2015, Pearson, England. (Page 479)

Continued...

**Question 1**

- (a) What is the critical thinking issue raised by the case?  
(5 marks)
- (b) What communication goal does each of Red Bull's marketing communication tools accomplish?  
(3 marks)
- (c) What is the risk of sponsoring a special event such as Felix Baumgartner's historic skydive?  
(2 marks)
- (d) The brand's current slogan is 'Red Bull Gives You Wings'. Create a completely new slogan.  
(10 marks)
- (e) What makes Red Bull, in Professor Kumar's words, an "anti-brand brand"?  
(5 marks)
- (Total: 25 marks)

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**Section B-Answer THREE out of FOUR questions****Question 2**

- (a) What are the **THREE (3)** advantages and **THREE (3)** disadvantages of using licensing as a market entry tool?  
(12 marks)
- (b) Give **TWO (2)** examples of Malaysian companies that use franchising as a global marketing strategy.  
(2 marks)
- (c) (i) What are *keiretsu*?  
(10 marks)
- (ii) How does this form of industrial structure affect companies that compete with Japan or that are trying to enter the Japanese market?  
(1 mark)
- (Total: 25 marks)

**Question 3**

- (a) What criteria should global marketers consider when making product design decisions?  
(10 marks)
- (b) How can buyer attitudes about a product's country of origin affect marketing strategy?  
(15 marks)
- (Total: 25 marks)

**Question 4**

- (a) (i) What is the difference between ethnocentric, polycentric, and global pricing strategies?  
(12 marks)
- (ii) Which one would you recommend to a company that has global market aspirations?  
(3 marks)
- (b) (i) What special distribution challenges exist in Japan?  
(5 marks)
- (ii) What is the best way for a non-Japanese company to deal with these challenges?  
(5 marks)
- (Total: 25 marks)

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**Question 5**

- (a) What is the difference between an advertising appeal and creative execution?  
(6 marks)
- (b) What are some of the ways PR practices vary in different parts of the world?  
(7 marks)
- (c) What **FOUR (4)** potential environmental challenges must be taken into account by a company that uses personal selling as a promotional tool outside the home country?  
(12 marks)  
(Total: 25 marks)

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